COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ATMOS ENERGY)
CORPORATION F/K/A WESTERN) CASE NO. 2003-00504
KENTUCKY GAS COMPANY)

O R D E R

On December 21, 1999, in Case No. 1999-00070, the Commission approved

rates for Western Kentucky Gas Company ("Western") and provided for their further

adjustment in accordance with Western's gas cost adjustment ("GCA") clause. On

October 1, 2002, Western changed its name to Atmos Energy Corporation ("Atmos").

On December 31, 2003, Atmos filed its proposed GCA to be effective February 1,

2004.

After reviewing the record in this case and being otherwise sufficiently advised,

the Commission finds that:

1.   Atmos's notice includes revised rates designed to pass on to its sales

customers its expected change in wholesale gas costs.

2.   Atmos's EGC for firm sales customers is $6.9979 per Mcf, an increase of

27.10 cents per Mcf from the previous EGC of $6.7269. Atmos's EGC for both high

load factor ("HLF") firm customers and interruptible sales customers is $6.1091 per Mcf,

an increase of 27.10 cents per Mcf from the previous EGC of $5.8381.

3.   Atmos's notice sets out no current period refund factor ("RF") for firm sales

and HLF firm customers. The total refund factor is .06 cent per Mcf for firm sales and

HLF firm customers, and .06 cent per Mcf for interruptible sales customers. Atmos's

notice sets out no refund adjustment for T-2 firm transportation customers and for T-2 interruptible transportation customers.

4. Atmos's notice sets a correction factor ("CF") of 55.54 cents per Mcf, which is an increase of .87 cent per Mcf from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor of 6.12 cents per Mcf, which is effective from February 1, 2004 until February 1, 2005.

6. Atmos's gas cost adjustments are $7.6139 per Mcf for firm sales customers, and $6.7251 per Mcf for HLF firm customers and for interruptible sales customers. The impact on firm sales customers is an increase of 26.62 cents per Mcf from the previous gas cost adjustment of $7.3477. The impact on HLF firm customers is an increase of 26.62 cents per Mcf from the previous gas cost adjustment of $6.4589, and the impact on interruptible sales customers is an increase of 26.62 cents per Mcf from the previous gas cost adjustment of $6.4589.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Atmos on and after February 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after February 1, 2004.

2. Within 20 days of the date of this Order, Atmos shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of January, 2004.

By the Commission

ATTEST:

Wm H. Bowker
Deputy Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00504 DATED January 28, 2004

The following rates and charges are prescribed for the customers in the area
served by Atmos Energy Corporation. All other rates and charges not specifically
mentioned herein shall remain the same as those in effect under authority of this
Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be
added an amount equal to: $7.6139 per Mcf of gas used during the billing period.

Applicable to: HLF General Sales Service

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be
added an amount equal to: $6.7251 per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be
added an amount equal to: $6.7251 per Mcf of gas used during the billing period.